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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/602,254	06/23/2000	Steven W. Abrahams	05997.0013-00	9350
22852	7590	07/14/2004	EXAMINER	
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER LLP 1300 I STREET, NW WASHINGTON, DC 20005			SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 07/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/602,254

Applicant(s)

ABRAHAMS ET AL.

Examiner

Narayanswamy Subramanian

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 09 April 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 8-10, 15-17 and 36-42 is/are pending in the application.
- 4a) Of the above claim(s) 15-17, 36, 39, 41 and 42 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 8-10, 37, 38 and 40 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- ☐ Notice of Informal Patent Application (PTO-152)
- ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This office action is in response to applicants' communication filed on April 9, 2004. Claims 8-10, 15-17 and 36-42 are currently pending in the application. Election of group I corresponding to claims 8-10, 37, 38 and 40 with traverse by the applicants in their communication is acknowledged. Claims 15-17, 36, 39, 41 and 42 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention. Applicant is respectfully advised to cancel the non-elected claims in response to this office action. Elected claims 8-10, 37, 38 and 40 have been examined. The response to arguments about restriction requirement, the rejections and the response to remarks made in applicants' communication filed on December 9, 2003 are stated below.

#### ***Response to Arguments about Restriction Requirement***

2. Arguments with regard to restriction/election have been considered but are non-persuasive. The case for election/restriction in terms of each group of invention requiring separate searches has been clearly presented in the last office action (Paper # 13). However for the sake of clarity the following additional information is presented.

The utility of Group I claims is to issue Guarantee certificates when the situation calls for segregating the underlying cash flows. On the other hand the utility of Group II claims is to issue Guarantee certificates when the situation calls for applying a formula to determine the payout to the certificate holders. The steps of the two methods are not the same clearly making them distinct from each other. Hence the inventions are related as sub combinations disclosed as usable together in a single combination.

Even though the two groupings are classified in the same class and subclass, the

inventions are separate as discussed in the last office action (Paper No. 13). Business methods being a relatively new technology from the standpoint of the Patent Office, several separate subcategories are grouped together in the same subclass even though one with ordinary skill in the art would clearly delineate these subcategories as warranting separate subclasses. Hence different fields of search are warranted. The arguments by the applicants that "search and examination of all the claims can be made without serious burden" and the fact that a search was done by the examiner is not a test of "serious burden" imposed on the examiner.

As discussed above and in the last office action the two groups are considered as separate inventions that can be used as sub-combinations, even though they are not classified into a separate class or sub-class. Hence the restriction of the claims is maintained. Applicant is respectfully advised to cancel the non-elected claims in response to this office action.

***Claim Rejections - 35 USC § 101***

3. The claims 8-10, 37, 38 and 40 of the invention are rejected under 35 USC § 101 because they are directed to non-statutory subject matter. Claims 8 and 38 are drawn to methods for issuing a guarantee certificate that is not tied to any technological art. Similarly the dependent claims 9, 10, 37 and 40 are not tied to any technological art. Claims 8-10, 37, 38 and 40 are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. The Patent Office has taken the position that some form of technology must be claimed in the body of the claim. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are "nothing more than [an] abstract idea which is not tied to any technological art and is not a useful art as contemplated by the Constitution." *Ex parte Bowman*, 61 USPQ2d

1669, 1671 (Board Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 8-10, 37, 38 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gould et al. (US Patent 5,966,700).

With reference to claim 8, Gould teaches a method for issuing a guarantee certificate, which is a financial instrument representing an obligation of a first party to make a payment triggered by certain default-related events associated with real estate loans, the method comprising the steps of: pooling, into a reference pool, instruments representing payment obligations triggered by certain default-related events associated with real estate loans underlying the instruments (See Gould Column 1 lines 18-22, Column 4 lines 3-6, the pool is interpreted to include a reference pool); identifying and segregating cash flows paid to satisfy triggered payment obligations for the instruments in the reference pool (See Gould Column 3 line 55 – Column 4 line 10, the risks to be borne by each party identifies and segregates the cash flows to be paid); and issuing a Master Commitment Agreement to entitle a holder of the certificate to receive at least one payment from the identified and segregated cash flows (See Gould Column 3 lines 43-45, Column 5 lines 45-50 and Claim 1, delivery commitment agreement is interpreted to include a guarantee certificate).

With reference to claim 38, Gould teaches a method for issuing a guarantee certificate, which is a financial instrument representing an obligation of a party to make a payment triggered by certain events associated with an asset, the method comprising the steps of: pooling, into a reference pool, instruments representing payment obligations triggered by default-related events associated with assets underlying the instruments; identifying and segregating cash flows paid to satisfy triggered payment obligations for the instruments in the reference pool; and issuing a guarantee certificate to entitle any holder of the certificate to receive at least one payment from the identified and segregated cash flows (Please see discussion of claim 8 above). Mortgages are assets for the institutions that fund them.

With reference to claim 9, Gould teaches the method of claim 8, wherein the step of identifying and segregating cash flows includes the step of: creating a trust for holding the pooled instruments (See Gould Column 4 lines 26-39, the Spread account along with Master Servicer is interpreted to include a trust also); and initiating payment through the trust of some portion of the identified and segregated cash flows to the holder of the certificate (See Gould Column 3 lines 57-66).

With reference to claim 40, Gould teaches a method of claim 8, wherein the certain default-related events includes at least one event from a group comprising: a real estate loan delinquency; a real estate loan default; a real estate loan foreclosure; a real estate liquidation; a real estate loan workout; a classification of real estate as real estate owned (REO); and an acquisition of a real estate deed in lieu of foreclosure (See Gould Column 4 lines 9-11).

With reference to claims 10 and 37, Gould does not explicitly teach the steps wherein the certificate is tradable or conveyable to an entity that holds no interest in the instruments.

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Official notice is taken that the steps wherein an instrument is tradable or conveyable to an entity that holds no interest in the instruments is old and well known in the art. These steps allow the initial holders of the instrument to transfer the instrument to other investors, when their investment plans change.

It would have been obvious to one with ordinary skill in the art at the time the invention was made to include these steps to the disclosure of Gould. The combination of the teachings taken as a whole suggests that the initial holders would have benefited from being able to transfer the instrument to other investors, when their investment plans change.

***Response to Remarks***

6. Applicant's arguments made in their communication filed on December 9, 2003, with respect to claims 8-10, 15-17 and 36-42 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or Official faxes and Draft to the Patent Office is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

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N. Subramanian

July 10, 2004

A handwritten signature in cursive script, appearing to read "Jagdish N. Patel".

7/11/04

Jagdish N. Patel  
Primary Examiner